



Reprinted
April 1, 2005

ENGROSSED SENATE BILL No. 202

DIGEST OF SB 202 (Updated March 31, 2005 5:56 pm - DI 92)

Citations Affected: IC 20-12; noncode.

Synopsis: University bonding. Exempts all state educational institutions, except Ivy Tech State College and Vincennes University, from obtaining the approval of the general assembly to issue bonds for research facilities if the facilities will generate sufficient revenues to meet debt service. Allows the trustees of Indiana University to issue bonds for acquisition, renovation, expansion, and improvement of the hotel facility adjacent to the conference facility on the Indianapolis campus. Authorizes the trustees to use up to \$200,000 of the bond proceeds for an integrated transit study for the Indianapolis campus. Provides that certain construction projects undertaken by the trustees of higher education institutions that have been approved by the general assembly are not subject to review by the commission for higher education.

Effective: Upon passage; July 1, 2005.

Wyss, Simpson

(HOUSE SPONSORS — BUELL, WELCH)

January 4, 2005, read first time and referred to Committee on Appropriations.
January 18, 2005, amended, reported favorably — Do Pass.
January 24, 2005, read second time, ordered engrossed. Engrossed.
January 25, 2005, read third time, passed. Yeas 47, nays 0.

HOUSE ACTION

March 7, 2005, read first time and referred to Committee on Ways and Means.
March 14, 2005, amended, reported — Do Pass.
March 29, 2005, read second time, amended, ordered engrossed.
March 30, 2005, engrossed.
March 31, 2005, read third time, recommitted to Committee of One, amended; passed.
Yeas 86, nays 5.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 202

A BILL FOR AN ACT to amend the Indiana Code concerning
education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-5.5-2.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. Except as provided in**
4 **subsection (b), a project that has been approved or authorized by**
5 **the general assembly is not subject to review by the commission for**
6 **higher education.**

7 **(b) The commission for higher education shall review a project**
8 **approved or authorized by the general assembly if the review is**
9 **requested by the budget agency or the budget committee.**

10 SECTION 2. IC 20-12-8-1 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The trustees
12 of Indiana University, the trustees of Purdue University, Indiana State
13 University board of trustees, the University of Southern Indiana board
14 of trustees, and the Ball State University board of trustees are
15 authorized and empowered, from time to time, if the governing boards
16 of these corporations find that a necessity exists, to erect, construct,
17 reconstruct, extend, remodel, improve, complete, equip, furnish,

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operate, control, and manage:

(1) dormitories and other housing facilities for single and married students and school personnel;

(2) food service facilities;

(3) student infirmaries and other health service facilities, including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing;

(4) parking facilities in connection with academic facilities; or

(5) ~~medical~~ research facilities ~~associated with a school of medicine, for any of its campuses,~~ if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 3. IC 20-12-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds which any one (1) or more corporations may issue during the ensuing biennium under the

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provisions of this chapter.

(b) The board of trustees of a state educational institution described in section 1(a) of this chapter may issue bonds to finance or refinance projects described in section 1(a)(5) of this chapter without the general assembly:

(1) approving the project to be financed through the issuance and sale of these bonds; or

(2) providing the amount of bonds that may be issued to fund the costs of erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, or furnishing the specific project.

The principal amount of bonds to which this subsection applies shall be treated as supplemental to any principal amount of bonds authorized by the general assembly.

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) The trustees of Indiana University may issue and sell bonds under IC 20-12-8, subject to the approvals required by IC 20-12-5.5, to provide funds for the acquisition, renovation, expansion, and improvement of the hotel facility (including all functionally related and subordinate components of the hotel facility) adjacent to the Indiana University Conference Center on the Indianapolis campus and may undertake the project if the total costs financed by the bond issue, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, do not exceed thirty-one million two hundred thousand dollars (\$31,200,000).

(b) Notwithstanding IC 20-12-8-1, the trustees of Indiana University may use a part of the proceeds of the bond issue authorized by subsection (a) for an integrated transit study. The purpose of the study must be to ascertain and recommend options for increasing accessibility to the Indianapolis campus and surrounding areas. The costs of the study authorized by this subsection may not exceed two hundred thousand dollars (\$200,000).

SECTION 5. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 202, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Page 1, after line 11, begin a new paragraph and insert:

"SECTION 2. **An emergency is declared for this act.**".

and when so amended that said bill do pass.

(Reference is to SB 202 as introduced.)

MEEKS, Chairperson

Committee Vote: Yeas 10, Nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 202, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The trustees of Indiana University, the trustees of Purdue University, Indiana State University board of trustees, the University of Southern Indiana board of trustees, and the Ball State University board of trustees are authorized and empowered, from time to time, if the governing boards of these corporations find that a necessity exists, to erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage:

- (1) dormitories and other housing facilities for single and married students and school personnel;
- (2) food service facilities;
- (3) student infirmaries and other health service facilities,

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including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing;

(4) parking facilities in connection with academic facilities; or

(5) ~~medical research facilities associated with a school of medicine;~~ **for any of its campuses,** if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 2. IC 20-12-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. **(a)** The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds which any one (1) or more corporations may issue during the ensuing biennium under the provisions of this chapter.

(b) The board of trustees of a state educational institution described in section 1(a) of this chapter may issue bonds to finance or refinance projects described in section 1(a)(5) of this chapter without the general assembly:

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(1) approving the project to be financed through the issuance and sale of these bonds; or

(2) providing the amount of bonds that may be issued to fund the costs of erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, or furnishing the specific project.

The principal amount of bonds to which this subsection applies shall be treated as supplemental to any principal amount of bonds authorized by the general assembly."

Page 1, line 1, after "[EFFECTIVE UPON PASSAGE]" insert "(a)".

Page 1, line 11, delete "thirty" and insert "thirty-one".

Page 1, line 11, after "million" insert "two hundred thousand".

Page 1, line 11, delete "(\$30,000,000)." and insert "(\$31,200,000)."

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"(b) Notwithstanding IC 20-12-8-1, the trustees of Indiana University may use a part of the proceeds of the bond issue authorized by subsection (a) for an integrated transit study. The purpose of the study must be to ascertain and recommend options for increasing accessibility to the Indianapolis campus and surrounding areas. The costs of the study authorized by this subsection may not exceed two hundred thousand dollars (\$200,000)."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 202 as printed January 19, 2005.)

ESPICH, Chair

Committee Vote: yeas 20, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed House Bill 202 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) In addition to projects authorized by the general assembly, the trustees of each higher education institution may engage in any of the following projects so long as there are funds available for the project and the project meets

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any of the applicable conditions:

(1) Each project to construct buildings or facilities of a cost greater than two hundred thousand dollars (\$200,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds one hundred thousand dollars (\$100,000), must be ~~reviewed by the commission for higher education~~ and approved by the governor upon recommendation of the budget agency. If any part of the cost of the project as specified in section 3 of this chapter is paid by state appropriated funds or by mandatory student fees assessed all students and if the project is to construct buildings or facilities of a cost greater than five hundred thousand dollars (\$500,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds three hundred thousand dollars (\$300,000), the project must also be approved by the general assembly. Nothing herein limits the trustees in supplementing projects approved by the general assembly from gifts or other available funds so long as approval for the expansion of projects is given by the governor on ~~review by the commission for higher education~~ and recommendation of the budget agency.

Renumber all SECTIONS consecutively.

(Reference is to Engrossed Senate Bill 202 as printed March 18, 2005.)

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 202 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 20-12-5.5-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. Except as provided in subsection (b), a project that has been approved or authorized by the general assembly is not subject to review by the commission for higher education.**

(b) The commission for higher education shall review a project approved or authorized by the general assembly if the review is requested by the budget agency or the budget committee."

Page 2, delete lines 1 through 8.

Renumber all SECTIONS consecutively.

(Reference is to ESB 202 as reprinted March 30, 2005.)

BUELL

 COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed Senate Bill 202, begs leave to report that said bill has been amended as directed.

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